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Previous References.

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Later References.

④

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Two only

Part B for February 1942.

SUBJECT.

Compensation to be paid for articles requisitioned under Rule 83 of the Defence of India Rules.

The reply to this communication should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

SECRET.

No. 26-42/ 768/ML 1153/W.

W12-41-[illegible]

FROM

THE SECRETARY
TO THE HON'BLE THE RESIDENT IN MYSORE.

DEWAN'S OFFICE
6 FEB 1942
No. 6872

To

The Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

Dated Bangalore, the 4-2-1942

FEB 6 1942
No. 7752

Compensation to be paid for articles requisitioned under Rule 83 of the Defence of India Rules.

SIR,

I am directed to enclose for information a copy of an office memorandum from the Government of India, Defence Co-ordination Department, No.209-OR/39 dated the 15th January 1942, with enclosure.

I have the honour to be,
Sir,
Your most obedient servant,

SECRETARY TO THE RESIDENT.

Subs for perusal

Law Member
&
Dewan

5/2

This may be communicated to all Dewan's & Deputy Commrs.

VN 1996

6/2

9/2

General and Revenue
Secretariat

W File No. 12 of 1941-2 [App. F. III-2

Serial
No.

W12-41-2

Issued Nos. 1661-71/W
Dt 10.2.41 to the Officers
concerned.

RS
10/2

OFFICE Mr J.V.

Subd for perusal with memos to the concerned officers. The file will be sent to the Law Secy also for perusal after issue and the Legis Sn for note

D
10/2

Law Secy.)
Legis Section)

Hm
10-2-42

10-2-42

NOTE—Cont. Sheet.

WD 04155—GPB—55,000—23-10-41

Copy of an Office Memorandum No.209-OR/39, dated the 15th January 1942, from the Government of India, Defence Co-ordination Department, to all Departments of the Government of India (except Legislative Assembly Department); Political Department.

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The undersigned is directed to refer to sub-rule (3) of rule 83 of the Defence of India Rules, which authorises Government to determine the compensation payable for articles requisitioned or acquired under that rule. Though Government is given a free hand to determine what compensation shall be paid in any particular case, it is clearly desirable that the same principles should be applied whenever action is taken by or on behalf of Government.

2. The question of what these principles should be has recently been examined, and the conclusions reached, which are shown in the attached note, have been accepted by the Finance Department and approved by His Excellency the Governor General. The undersigned is accordingly to request that these principles should be followed by all Departments who make use of rule 83, and should be communicated by them for guidance to all officers under their control who may be concerned.

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Compensation to be paid for articles requisitioned under Defence of India Rule 83.

1. The maximum amount of compensation to be given will be the market price at the time of requisition of an article; but in most cases there will be no need for requisitioning if it is proposed to pay the market price.

2. If the requisitioning authority considers ~~that~~ the market price to be too high the price paid will be: -

(i) the price which it was reasonable for the owner to pay when he acquired the goods, plus a reasonable profit thereon if he acquired the goods for sale; or

(ii) the reasonable cost to the owner of producing the goods at the time when he produced them, plus a reasonable profit thereon if he produced them for sale.

The requisitioning authority will, in determining what price it was reasonable for the owner to pay, take into account the normal nature and requirements of the owner's business. In the case of articles held for purely speculative purposes a strict standard should be applied.

3. In exceptional cases (not in respect of goods held for sale) where physical replacement of the requisitioning goods is really necessary to enable the owner to carry on his business and actually takes place, replacement cost may, under the special orders of Government, be given. Each case will have to be examined on its merits and no general principles can be laid down in advance.

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VN

Office Memorandum No.300-CR/39, dated the 15th January 1942, from the Govt. of India, Defence Co-ordination Dept., to all Depts. of the Govt. of India (except Legislative Assembly Dept.); Political Dept.

The undersigned is directed to refer to sub-rule (5) of rule 83 of the Defence of India Rules, which authorises Govt. to determine the compensation payable for articles requisitioned or acquired under that rule. Though Govt. is given a free hand to determine what compensation shall be paid in any particular case, it is clearly desirable that the same principles should be applied whenever action is taken by or on behalf of Government.

2. The question of what these principles should be has recently been examined, and the conclusions reached, which are shown in the attached note, have been accepted by the Finance Dept. and approved by His Excellency the Governor General. The undersigned is accordingly to request that these principles should be followed by all Depts. who make use of rule 83, and should be communicated by them for guidance to all officers under their control who may be concerned.

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GENERAL AND REVENUE SECRETARIAT.

W12-41-2

Memo No.1361-71/G. Dated, Bangalore, the 13th February 1942.

Copy of the above is forwarded with compliments to the Deputy Commissioners of Districts, for information and guidance.

For Chief Secretary to Government.